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EXECUTIVE LEADERSHIP AND PERSONNEL WORK IN PUBLIC SERVICE CORPORATIONS

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I TAKE it that the objectives in personnel work in any industry or in any concern, are to secure the maximum cooperation and interest of the human element in the success of the business. But while we are working toward the same objective the ways in which we arrive at our objectives differ in every business.

The problem in public utilities differs in many respects from the problem in ordinary private business concerns. Even among the utilities themselves, the problem presents various aspects. Power, light and gas companies have the simplest problem of all because of the smaller number of employees. The street railway business presents phases peculiar to itself. The railroad problem is too important and too complex for me to discuss at this time. In this brief presentation of the subject, I shall discuss some of the problems of the telephone company, because I happen to be more familiar with the telephone problems than with those of any other utility. To some degree, at least, these problems will be typical for public service corporations.

Your attention should first be directed to some of the respects in which the telephone problem differs very much from the problems of some other business concerns.

Telephone employment is relatively permanent and relatively regular. That is in our favor. We use a very large force of trained men and women with comparatively little unskilled labor. That is also in our favor. It simplifies the problem. Most of the public utilities are more or less regulated monopolies and are not forced to cope with the very difficult phases of the personnel problem which Mr. Seger ¹ and a great many others find in competitive business.

¹ See pages, 544-6.

On the other hand, telephone employees are not grouped in any one place and consequently it is difficult to reach them. They are scattered throughout city, state, and country. Because of this and the necessity of maintaining a 24-hour service, it is impossible to assemble the men or women of any one department at one time. That is a disadvantage.

Every man who has telephone service in New York City has on his desk in his telephone instrument a part of our plant but he knows nothing of the rest of the plant or of the men and women who are necessary to keep it in operation. He simply sees that little instrument on his desk which enables him at any time of the day or night to ask for a special speaking track of two wires to be set up for his personal use to any one of eight or nine hundred thousand similar stations. There are about eight hundred thousand combinations of speaking tracks ready and available in New York City for any individual who has that little instrument on his desk. If one individual has eight hundred thousand combinations ready to be set up at a signal to the operator, it follows that there are eight hundred thousand times as many possible combinations—which means something like six hundred and forty billion combinations of speaking tracks with switches, signals and apparatus to operate them, available for immediate use at this moment in New York City.

One can readily appreciate that an extended personnel is required to maintain, protect, repair, build, construct and extend the operation of this plant. The men in our forces are scattered as they are in no other business that has come to my attention.

There is another phase in which our business or our problem is different from that of the private concern. In our business or in the public utilities business, there is no "profit" as "profit" is ordinarily known. There should be reasonable and steady return to investors and a reasonable surplus, and that is all. Therefore, there is not the slack in the business to meet a quickly changing market or to meet a quickly changing employment or labor situation which a great many private concerns have.

Another phase which is exceedingly important in the telephone business, is this: one of the greatest incentives to any

worker is that somebody occasionally approves of the work he is doing, either directly or indirectly. In our business such appreciation is comparatively rare because the employees who serve the people are usually invisible even when they come in direct contact with them. In a small town the relationship is likely to be more neighborly but in the larger cities our people are often subjected to criticism, much of which is unwarranted, and seldom get any expression of approval from those whom they are really serving. That is no small item in our problem.

Again, by the varied nature of the business, any public utilities work is highly specialized, and where the plants are scattered there must be an unusually large number of supervisory officials. It is impossible to work with one or two supervisory officials between the forces and the management. It means vice-presidents, general managers, general superintendents, division superintendents, district managers, local managers, and frequently several classes of foremen and assistant foremen. These supervisors in turn are spread all over the territory and the establishment of frequent contacts is comparatively difficult.

Anyone who has worked with or studied this problem knows that one of the points of resistance, one of the difficult spots, is always in the line of supervisory officials, generally in the supervisory officials close down to the men. It is obvious, therefore, that any business, the nature of which makes an unusually large number of supervisory officials necessary, will have to deal with an unusually difficult personnel problem.

Cooperation of the human elements in industry is what we are striving for. Why do we fail to achieve it? Men will not cooperate unless they *want* to cooperate. The personnel manager's job is to make them wish to work together and with the management, in the interests of the whole industry of which they are a part. It is more fun to work with one's associates than against them—more fun to be a help than a drag to the team. Why is it then, that so many men do not crave—do not want—to cooperate with the management? What is it we are trying to prevent or to eliminate?

Ask any worker about the cause of industrial unrest! What is the answer? Almost everyone will reply that he wants a fair deal. What is a fair deal? Too many of them will tell you

that it is more money or less work. If that is a fair deal, I think we have reason to feel anxious about the economic future. I think most of us who are studying the question are coming to the conclusion that fair treatment means more than just wages and just working conditions. It means some real recognized status in the industry. Too many jobs have lost the status that their importance warrants. Many more are so set up that there is no status there. Their work is so specialized and they work in such large groups that they feel that they are all lost in the shuffle.

Furthermore, this country is menaced by the continual talk in the press and elsewhere about classes. We hear about the wealthy classes, the social classes, the educated classes, the privileged class, *ad infinitum*. The workers feel that they are never going to get into those classes; that their only chance to move up in the world, to get recognized as a part of it, is through their connection with their industry and if they cannot get any real status there, if they cannot get into the world movement through their own jobs and through their industrial relations, they are out of it. Too many of their so-called leaders tell them that, as industrial workers, they belong to one of the lower classes and that they never can get beyond a certain point and even if they could they are not going to be allowed to do it.

We are trying in our industry to abolish class feeling. We are trying to give our people, down to the humblest employee, a real status in the industry. We are trying to share with each employee the interesting problems of the business and make him realize he has some part in working out the solution.

We are also doing what many other concerns are doing, namely, giving the employees an opportunity to have a financial interest in the business. We cannot do it through profit-sharing because our companies are public utilities, they have no profits to divide, but we can give the employees a chance to be part-owners of the business and today we have approximately 100,000 employee stockholders, actual and prospective (by prospective I mean those who are paying for stock). That is a little more than thirty-eight per cent of our whole force and nearly fifty per cent of those eligible to become stockholders. They will own or have an interest in the business of approximately forty-five million dollars.

We are trying to create a vital interest in the work itself, by educating the employees and giving them every opportunity to learn and study the economics of the business, the relation of wages to production, and by giving them the general policies of the company and the reasons for these policies.

We are trying intensively to make our employees feel that they are a recognized part of the company. By way of illustration, I can quote one man in our plan who about eight or nine months ago made this statement:

"I have been with this company for seven years. Up to about a year and a half ago, I always felt that I was a servant of the family. Today I feel that I am a real honest-to-goodness member of the family and that I can sit down at the same table with the rest of the family."

That is what we are trying to make our employees understand. Our organization chart is to show them how the responsibilities of a very complex business have been sorted out and assigned. We are carrying our organization chart, in some companies, clear down through to the last man, even to the janitor in the stockroom.

We are trying to make our employees feel that there is one common responsibility for the president, the janitor, the operator, the lineman, the trouble man, the chief operator, the accountant, the clerk, the engineer and everyone else in the whole outfit; that there is one common motive—the obligation and devotion to public service. The way the men and women respond to that suggestion is one of the most heartening things I have ever known.

There is a little story which will illustrate exactly what I am trying to say much better than I can say it. There were three men cutting stone in the yard of a great cathedral which was about two-thirds constructed. A man came along and asked the first workman what he was doing. The workman replied, "I am working for \$5.75 a day." He asked the next man what he was doing. He said, "I am trying to square this stone off." Then he asked the third man what he was trying to do. The third man replied, "Do you see that?" pointing to the partly finished cathedral "I am helping to build that cathedral."

That is what we are trying to do. We are trying to make

every employee in our company feel that he has a real intensive part to play in building up the good name, the success and the financial integrity of a great institution devoted to public service.

The question naturally arises, as to what agency we utilize to cultivate this sense of solidarity. It is being done, not through any personnel department, or any other special bureau, but by the authorities responsible for the management of each phase of the business.

Personnel work must not be allowed to become the property of a staff Santa Claus. It must be done by the people who are carrying the responsibilities of management. The men and women in the rank and file must be lifted up to a higher plane of understanding and responsibility and the men and women who are their immediate bosses are the ones who must lift them. It cannot be done by someone who comes around on the side. The executive officers of a company must rally the supervisory forces to do that work and must educate and inspire them to it. The supervisory forces are likely to object at first because it may appear to take away some of their authority and to jeopardize their prestige with their subordinates. When they really get the whole picture, however, they are convinced that it means more responsibility and more prestige for themselves and a better relationship throughout the organization. This calls for the very highest type of executive and supervisory leadership.